



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27 July 21, 2015

Los Angeles County
Board of Supervisors

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June 30, 2015

PATRICK O'GAWA
ACTING EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF SUCCESSOR AGREEMENT WITH OLYMPUS AMERICA,
INC.
(ALL DISTRICTS)
(3 VOTES)**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
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www.dhs.lacounty.gov

SUBJECT

Approval of a successor Agreement with Olympus America for the preventative maintenance and repair services of endoscope equipment; and a request for delegated authority to execute as needed future amendments to the Agreement.

To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute a sole source successor Agreement with Olympus America, Inc. (Olympus), effective upon Board approval for preventative maintenance and repair services of endoscope equipment for the Department of Health Services (DHS) Facilities identified on Attachment B for the period of August 1, 2015 through July 31, 2020 at an annual rate of \$767,986 with two 1-year extension options at the same annual rate for a total potential Agreement term of 7 years from August 1, 2015 through July 31, 2022.

2. Delegate authority to the Director, or his designee, to execute future amendments to the Agreement with Olympus to: (a) exercise the two 1-year extensions described above; (b) implement modifications in accordance with the Agreements' terms and conditions; (c) add and remove equipment, and (d) incorporate administrative changes to the Agreement, including but not limited to, the addition, modification, or removal of any relevant terms and conditions,



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to clarify terms and conditions and otherwise comply with changes in applicable law, with prior approval by County Counsel.

3. Delegate authority to the Director, or his designee, to amend the Agreement with Olympus to increase, annually, the total annual obligation by no more than 40 percent above the annual maximum obligation of \$767,986, for an annual potential increase of \$307,194, to provide for out-of-scope repairs or maintenance for equipment that is excluded under the Agreement's basic maintenance services, to add equipment/service to additional DHS Facilities and/or County Departments; provide professional services; and cover emergency or unforeseen as-needed equipment maintenance, repair, and support services.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will authorize the Director to execute a sole source successor Agreement with Olympus for as needed repair and preventative maintenance of Olympus endoscope equipment. The current Agreement expires July 31, 2015. Olympus is the Original Equipment Manufacturer (OEM) for their various types of endoscopes such as fiberscopes and videoscopes which offer High Definition (HD) 3D technology.

These endoscopes are used in anesthesiology, bariatrics, gastroenterology, general surgery, gynecology, pulmonology, thoracic surgery, and urology. Endoscopes are often used to confirm a diagnosis when other devices, such as a Magnetic Resonance Imaging (MRI), x-ray, or a Computerized Tomography (CT) scan are not appropriate. Endoscopes can even be used for enabling biopsies and retrieving foreign objects. An endoscope is often used to find out the degree of damage a known condition may have caused. In many cases, endoscopes contribute to the decision of best treatment for a patient.

Approval of the second recommendation will authorize the Director to amend the Agreement to: execute two 1-year optional extension terms under the same terms, if both parties agree to extend; implement modifications to the Agreement in accordance with the Agreement's terms and conditions; add and remove equipment to and from the Agreement; and perform any administrative contractual changes to the Agreement as required by changes in applicable law.

Approval of the third recommendation will allow the Director, or his designee, to increase the total annual amount of the Olympus Agreement by up to 40 percent of the annual amount, for the purposes of adding equipment, adding professional services, performing emergency work where applicable, performing out of scope repairs/support services, and/or adding additional DHS Facilities and/or County Departments to the Agreement.

The Joint Commission requires Facilities to ensure routine preventive maintenance, timely repairs, and performance/safety testing of its medical and hospital equipment and to maintain patient safety. This requested delegated authority is necessary because it enables the Agreement to be amended timely to guarantee that critical equipment is maintained appropriately and also ensure the safety of patients and facility staff, as well as to meet the requirements of The Joint Commission. Board policy generally allows delegated authority to increase the total annual sum by up to 10 percent. However, based on its experience in recent years with several other equipment maintenance service agreements, DHS believes that requesting authority for a potential increase of 40 percent is appropriate. The addition of even a few pieces of equipment, or an additional facility, to the Agreement may require a significant increase in funding.

Facilities will only request that equipment, locations, and/or support services be added if additional services are needed and if funding is available in the facility's budget. In accordance with Board

Policy 5.120, on June 3, 2015, DHS provided the Board the required two-week notice of intent to require a delegation of authority in excess of 10 percent.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness/Fiscal Sustainability, and Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total annual maximum obligation of the Agreement with Olympus is \$767,986.

The total potential annual increase under the 40 percent delegated authority for the Agreement is \$307,194 and would be funded using existing resources.

Funding is included in the DHS Fiscal Year (FY) 2015-16 Recommended Budget and will be requested in future years' budgets as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On August 1, 2007, the Board approved an Agreement with Gyrus ACMI L.P (Gyrus) for the endoscope repairs as a Purchase Order (PO) conversion. In 2012 Olympus America, Inc. was assigned and delegated the rights and responsibilities of the Gyrus Agreement. Subsequent amendments extended the Agreement through July 31, 2015. Since 2012 DHS Facilities have purchased a large number of Olympus's endoscopes.

The successor Agreement contains a negotiated service indemnification clause, as well as other Agreement modifications, including changes to indemnification language throughout the document. These changes were reviewed and approved as to form by County Counsel and reviewed by the Chief Executive Office's Risk Management Office. DHS has made the business decision to accept these changes as the risk to the County is minimal compared to the added value of the long term Agreement.

The recommended successor Agreement contains all of the Board's required provisions. The services provided under all of the Agreements, are highly specialized and cannot be provided by County staff. Further, these services are only needed on a part-time and intermittent basis. Therefore, the Agreements are not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201) and are exempt from Proposition A, based on the exclusion listed in County Code section 2.121.250(B)(4).

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

Olympus scopes require the services of the OEM for maintenance, and as such, DHS is proposing a sole source agreement with Olympus. Many OEMs use proprietary technology in their equipment to ensure that their competitors cannot service the equipment, or to limit the availability of their parts to a third party. When the warranty expires, the best means to ensure that the equipment is maintained in accordance with equipment specifications is to contract with the OEM. Another benefit of

The Honorable Board of Supervisors

6/30/2015

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contracting with the OEM is a guarantee of faster access to OEM parts when emergency repair services, are needed.

Attachment A is the sole source checklist for the successor Olympus Agreement in compliance with Board Policy 5.100.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will allow DHS to obtain ongoing critical equipment maintenance and repair services for medical facility operations and direct patient care.

Respectfully submitted,

A handwritten signature in black ink that reads "Mitchell Katz". The signature is written in a cursive, slightly slanted style.

Mitchell H. Katz, M.D.

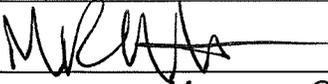
Director

MHK:mm

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

SOLE SOURCE CHECKLIST

Check (√)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS
	Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
√	<p>➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.</p> <p><i>Olympus scopes require the use of the OEM for maintenance, and as such, DHS is proposing a sole source agreement with Olympus. OEM's use proprietary technology in their equipment to ensure that their competitors cannot service the equipment or limit the availability of the parts to the third party. When the warranty expires, the best option is to contract with the OEM to ensure that the equipment is maintained in accordance with equipment specifications. Another benefit to contracting with the OEM is the guarantee of faster access to OEM parts when repair services, especially for emergencies, are needed.</i></p>
	➤ It is most cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best interest of the County e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
	➤ Other reason. Please explain:
	<p>_____  _____</p> <p style="text-align: center;">Manager, CEO</p> <p style="text-align: right;">_____ 5/27/15 _____</p> <p style="text-align: right;">Date</p>

Olympus America, Inc.
Effective August 1, 2015 through July 31, 2020

Facility	8/1/2015- 7/31/2016	8/1/2016- 7/31/2017	8/1/2017- 7/31/2018	8/1/2018- 7/31/2019	8/1/2019- 7/31/2020	Total
Harbor	\$ 421,800	\$ 421,800	\$ 421,800	\$ 421,800	\$ 421,800	\$ 2,109,000
MLK	\$ 115,693	\$ 115,693	\$ 115,693	\$ 115,693	\$ 115,693	\$ 578,465
Olive View	\$ 210,493	\$ 210,493	\$ 210,493	\$ 210,493	\$ 210,493	\$ 1,052,465
Rancho	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000
Total	\$ 767,986	\$ 3,839,930				

Note: Total term is 60 months, with two optional terms

**DEPARTMENT OF HEALTH SERVICES
AGREEMENT**



AGREEMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

OLYMPUS AMERICA INC.

FOR

**ENDOSCOPE PREVENTATIVE MAINTENANCE
AND REPAIR SERVICES**

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**AGREEMENT BY AND BETWEEN
COUNTY OF LOS ANGELES**

**AND
OLYMPUS AMERICA INC.**

**FOR
ENDOSCOPE PREVENTATIVE MAINTENANCE AND
REPAIR SERVICES**

This Agreement (the "Agreement") and Exhibits made and entered into this ____ day of _____, 2015 by and between the County of Los Angeles, hereinafter referred to as ("County") and Olympus America Inc. (hereinafter referred to as "Olympus" and/or "Contractor"). Olympus is located at 3500 Corporate Parkway, Center Valley, Pennsylvania, PA 18034.

RECITALS

WHEREAS, the County may contract with private businesses for Endoscope Preventative Maintenance and Repair Services when certain requirements are met; and

WHEREAS, the Contractor is a private firm specializing in providing Endoscope Preventative Maintenance and Repair Services; and

WHEREAS, this Agreement is therefore authorized under California Code sections 1441 and 1445, and Government Code Section 31000 which authorizes the Board of Supervisors to contract for Medical Services; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, and I are attached to and form a part of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving

precedence first to the Agreement and then to the Exhibits according to the following priority.

Standard Exhibits:

- 1.1 EXHIBIT A - Statement of Work
- 1.2 EXHIBIT B - Pricing Schedule
- 1.3 EXHIBIT C – INTENTIONALLY OMITTED
- 1.4 EXHIBIT D - Contractor’s EEO Certification
- 1.5 EXHIBIT E - County’s Administration
- 1.6 EXHIBIT F - Contractor’s Administration
- 1.7 EXHIBIT G - Contractor Acknowledgement and Confidentiality Agreement
- 1.8 EXHIBIT H - Jury Service Ordinance
- 1.9 EXHIBIT I - Safely Surrendered Baby Law

This Agreement and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous agreements, written and oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Sub-paragraph 8.1 - Amendments and signed by both parties.

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1 Agreement:** This contract executed between County and Contractor. It sets forth the terms and conditions for the issuance and performance of the Statement of Work, Exhibit A.
- 2.2 Affiliate:** Any company directly, or indirectly through one or more intermediate companies which now; or hereafter may control, be controlled by or be under common control with the relevant party. “Control” of a company means the power to exercise 50 percent or more of the voting rights of such company.

- 2.3 Amendment:** Meaning set forth in Sub-paragraph 8.1 – Amendments.
- 2.4 Authorized User:** Any person or entity authorized by the County, including each of County's employees, representatives, consultants, contractors or agents and any other person expressly authorized by the County to access and use the System.
- 2.5 Contractor:** The sole proprietor, partnership, limited liability company or corporation that has entered into this Agreement with the County to perform or execute the work covered by the Statement of Work, Exhibit A.
- 2.6 Contractor Project Manager:** The individual designated by the Contractor to administer the Agreement operations after the Agreement award.
- 2.7 County's Systems:** County's software, computers, equipment and electronic communications systems, including County's electronic health records system.
- 2.8 Day(s):** Calendar day(s) unless otherwise specified.
- 2.9 DHS:** Department of Health Services
- 2.10 Director:** Director of Health Services or his/her authorized designee.
- 2.11 Facility:** Medical Centers, Health Centers, or Ambulatory Care Centers all within Department of Health Services.
- 2.12 Facility Project Director:** Person designated by County with authority for County on contractual or administrative matters relating to this Agreement that cannot be resolved by the Facility's Project Manager.
- 2.13 Facility Project Manager:** Person designated by Facility's Project Director to manage the operations under this Agreement.
- 2.14 Facility Project Monitor:** Person with responsibility to oversee the day to day activities of this Agreement. Responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by the Contractor.
- 2.15 Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.

- 2.16 Hardware; Equipment:** the equipment and hardware components identified in the Exhibit B – Pricing and Equipment Schedule that is manufactured, provided and maintained by Contractor.
- 2.17 Maintenance Services:** Contractor shall provide Maintenance and Services for Hardware as described in Exhibit A. For avoidance of doubt, the reference to “Equipment Maintenance” or “Services” shall all mean the Equipment Maintenance as described in Exhibit A.
- 2.18 Product:** Contractor Hardware and Software for which County is purchasing Equipment Maintenance and Support Services as identified in Exhibit B – Pricing and Equipment Schedule.
- 2.19 Professional Services:** Software design, development, and implementation, any associated training, consulting and other professional services, which may be provided by Contractor under this Agreement or upon County’s request.

3.0 WORK

- 3.1 Pursuant to the provisions of this Agreement, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in the Statement of Work.
- 3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Agreement, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 TERM OF AGREEMENT

- 4.1 The term of this Agreement shall be five (5) years commencing after execution by the Director or his/her designee as authorized by the County’s Board of Supervisors, unless sooner terminated or extended, in whole or in part, as provided in this Agreement.
- 4.2 The County shall have the sole option to extend this Agreement term for up to two (2) additional one-year periods, for a maximum total Agreement term of seven (7) years. Each such option and extension shall be exercised at the sole discretion of the Director or his/her designee as authorized by the County’s Board of Supervisors.
- 4.3 The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may

be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

- 4.4 The Contractor shall notify DHS when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the DHS at the address herein provided in Exhibit E - County's Administration. Failure of Contractor to supply notice to the County shall not be considered a default of the Agreement or serve to modify any of the party's obligations hereunder.

5.0 AGREEMENT SUM, BILLING AND PAYMENT

- 5.1 For the Term, County shall pay the Fixed Annual Fee as described in the attached Exhibit B, Pricing Schedule.
- 5.2 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the County's express prior written approval.

5.3 INTENTIONALLY OMITTED

5.4 No Payment for Services Provided Following Expiration/Termination of Agreement

The Contractor shall have no claim against County pursuant to this Agreement for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Agreement. Should the Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Agreement. In the event the County sends equipment to the Contractor for repair after the termination or expiration of this agreement, the repair shall be billed separately and not as a part of this Agreement.

5.5 Invoices and Payments

- 5.5.1 The Contractor shall invoice the County in arrears only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A - Statement of Work and elsewhere hereunder. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the County under the terms of this Agreement. The Contractor's payments shall be as provided in Exhibit B - Pricing Schedule, and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved and described in this Agreement. If the County does not approve work in writing no payment shall be due to the Contractor for that work.
- 5.5.2 The Contractor's invoices shall be priced in accordance with Exhibit B - Pricing Schedule.
- 5.5.3 The Contractor's invoices shall contain the pricing information set forth in Exhibit A - Statement of Work describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.
- 5.5.4 The Contractor shall submit the monthly invoices to the County in arrears.
- 5.5.5 All invoices under this Agreement shall be submitted in two (2) copies to the following address:

Attn:_____

5.5.6 County Approval of Invoices

All invoices submitted by the Contractor for payment must have the written approval of the Facility's Project Manager prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld. If the County disputes the validity of a particular invoice presented by Contractor, this dispute does not affect County's responsibility to pay any other outstanding invoices which are not in dispute at that time.

5.6 Maximum Obligation of County

- 5.6.1 The annual maximum obligation of County for all services provided hereunder shall not exceed Seven Hundred Sixty-Seven Thousand, Nine Hundred Eighty-Six Dollars (\$767,986) effective August 1, 2015 through July 31, 2020.
- 5.6.2 During the term of this Agreement, the Director, or his designee, may amend Exhibit B – Pricing Schedule if additional maintenance and repair services are needed to adjust the total annual maximum obligation by no more than forty percent (40%) of Seven Hundred Sixty-Seven Thousand, Nine Hundred Eighty-Six Dollars (\$767,986) for unforeseen, needed maintenance and repair services, and/or if equipment is added/removed to/from any Medical Facility. To implement such a change, a written amendment to the Agreement, which is formally executed by the parties, must be executed.

5.7 Sales/Tax Use

The maximum obligation shown in Sub-paragraph 5.6 shall be deemed to include all amounts necessary for County to reimburse Contractor for all applicable California and other state and local sales/use taxes on all equipment components provided by Contractor to County pursuant to or otherwise due as a result of this Agreement, to the extent applicable. County will be responsible for paying Contractor all applicable California and other sales/use taxes invoiced. All such sales/use taxes shall be paid directly by Contractor to the State and/or other taxing authority.

6.0 ADMINISTRATION OF AGREEMENT - COUNTY

COUNTY ADMINISTRATION

The Director shall have the authority to administer this Agreement on behalf of the County. Director retains professional and administrative responsibility for the services rendered under this Agreement. A listing of all County Administration referenced in the following Sub-paragraphs is designated in Exhibit E - County's Administration. The County shall notify the Contractor in writing of any change in the names or addresses shown.

6.1 Facility's Project Director

Responsibilities of the Facility's Project Director include:

- ensuring that the objectives of this Agreement are met; and
- providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

6.2 Facility's Project Manager

The responsibilities of the Facility's Project Manager include:

- meeting with the Contractor's Project Manager on a regular basis if applicable; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

The Facility's Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.

6.3 Facility's Project Monitor

The Facility's Project Monitor is responsible for overseeing the day-to-day administration of this Agreement. The Project Monitor reports to the Facility's Project Manager.

7.0 ADMINISTRATION OF AGREEMENT - CONTRACTOR

7.1 Contractor's Project Manager

7.1.1 The Contractor's Project Manager is designated in Exhibit F - Contractor's Administration. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.

7.1.2 The Contractor's Project Manager shall be responsible for the Contractor's day-to-day activities as related to this Agreement and shall coordinate with Facility's Project Manager and Facility's Project Monitor on a regular basis.

7.2 Contractor's Authorized Official(s)

7.2.1 Contractor's Authorized Official(s) are designated in Exhibit F. Contractor shall promptly notify County in writing of any change in the name(s) or address(es) of Contractor's Authorized Official(s).

7.2.2 Contractor represents and warrants that all requirements of Contractor have been fulfilled to provide actual authority to such officials to execute documents under this Agreement on behalf of Contractor.

7.3 Approval of Contractor's Staff

County has the absolute right to approve or disapprove all of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff, including, but not limited to, the Contractor's Project Manager.

7.4 Contractor's Staff Identification

If the Contractor performs any services on any of the County's premises, the following provisions shall apply:

7.4.1 Contractor shall provide, at Contractor's expense, all staff providing services under this Agreement with a photo identification badge.

7.4.2 Contractor is responsible to ensure that employees have obtained a County ID badge before they are assigned to work in a County facility. Contractor personnel may be asked to leave a County facility by a County representative if they do not have the proper County ID badge on their person.

7.4.3 If Contractor employee(s) is terminated from working under this Agreement, Contractor shall notify the County within one business day. Contractor shall also retrieve and return that employee's ID badge to the County on the next business date after the employee has terminated employment with the Contractor.

7.4.4 County requests the removal of Contractor's staff, Contractor shall retrieve and return an employee's ID badge to the County on the next business day after the employee has been removed from working on the County's Agreement.

7.5 Background and Security Investigations

7.5.1 If the Contractor performs any services on any of the County's premises, at the sole cost and discretion of the County, all Contractor staff performing work under this Agreement may be required to undergo and pass, to the satisfaction of County, a background investigation as a condition of beginning and continuing to work under this Agreement. County shall use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting.

- 7.5.2 If the Contractor performs any services on any of the County's premises, the County has the right to request that any individual Olympus employee working on said premises be immediately removed from working on the County Agreement at any time during the term of this Agreement. County will not provide to the Contractor nor to the Contractor's staff any information obtained through the County conducted background clearance.
- 7.5.3 County may immediately, at the sole discretion of the County, deny or terminate facility access to the Contractor's staff that do not pass such investigation(s) to the satisfaction of the County whose background or conduct is incompatible with County facility access.
- 7.5.4 Disqualification, if any, of the Contractor's staff, pursuant to this Sub-paragraph 7.5, shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

7.6 Confidentiality

- 7.6.1 Contractor shall maintain the confidentiality of all records and information, including, but not limited to, billings, County records and patient records, in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.
- 7.6.2 Contractor shall indemnify, defend, and hold harmless County, its Special Districts, elected and appointed officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, administrative penalties and fines assessed including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Sub-paragraph 7.6. Any legal defense pursuant to Contractor's indemnification obligations under this Sub-paragraph 7.6 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole

cost and expense. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.6.3 Contractor shall inform appropriate officers, employees, agents and subcontractors providing services hereunder of the confidentiality and indemnification provisions of this Agreement.

7.6.4 Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Exhibit G.

7.7 INTENTIONALLY OMITTED

7.8 Staff Performance under the Influence

Contractor shall not knowingly permit any employee to perform services under this Agreement while under the influence of any alcoholic beverage, medication, narcotic, or other substance which might impair their physical or mental performance.

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS

8.1.1 For any change which affects the scope of work, term, Agreement Sum, payments, or any term or condition included under this Agreement, an Amendment shall be prepared by the County and then executed by the Contractor and by the Board of Supervisors or its authorized designee.

8.1.2 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Agreement during the term of this Agreement. The County reserves the right to request that such additions or changes be included in an amendment to this Agreement. To implement such changes, an Amendment to the Agreement shall be mutually agreed upon by the parties and prepared by the County and then executed by the Contractor and by the Director or his/her designee.

8.1.3 The Director or his/her designee may at his/her sole discretion, authorize extensions of time as defined in

paragraph 4.0 - Term of Agreement. The Contractor agrees that such extensions of time shall not change any other term or condition of this Agreement during the period of such extensions. To implement an extension of time, an Amendment to the Agreement shall be prepared by the County and then executed by the Contractor and by the Director or his/her designee.

- 8.1.4 The Director or his/her designee may require, at his/her sole discretion, the addition and/or change of certain terms and conditions in the Agreement to conform to changes in federal or state law or regulation, during the term of this Agreement. The County reserves the unilateral right to add and/or change such provisions as required by law, regulation, without the need for Contractor's written consent, to preserve this Agreement's conformity and compliance to federal and state law or regulation. To implement such changes, an Amendment to the Agreement shall be prepared by the County and then executed by the Contractor and by the Director or his/her designee.

8.2 ASSIGNMENT AND DELEGATION

- 8.2.1 Except with regard to an Affiliate, the Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Sub-paragraph, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Agreement shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.
- 8.2.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of

this Agreement.

8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, or a known subsidiary and/or affiliate of the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 AUTHORIZATION WARRANTY

The Contractor represents and warrants that the person executing this Agreement for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Agreement and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8.4 BUDGET REDUCTIONS

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, the County reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by the Contractor under this Agreement shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Agreement.

8.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (2 C.F.R. PART 376)

Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are

suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, directors or other principals, employees, or independent contractors is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owners, officers, partners, directors, other principals, employees, or independent contractors of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of the aforementioned parties either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

8.6 COMPLAINTS

Upon execution, the Contractor shall provide its procedures for receiving, investigating and responding to complaints.

8.7 COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

8.7.1 In the performance of this Agreement, Contractor shall comply with all current and applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including, but not limited to standards of The Joint Commission, its National Patient Safety Goals, California Code of Regulations, Title 22, Division 5 regulations and all other applicable industry best practices standards. All provisions required thereby to be included in this Agreement are incorporated herein by reference.

8.7.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all third party claims, demands, damages, liabilities, losses, administrative penalties and fines assessed, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply

with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures. Any legal defense pursuant to Contractor's indemnification obligations under this Sub-paragraph 8.7 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense.. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

8.8 COMPLIANCE WITH CIVIL RIGHTS LAWS- ANTI-DISCRIMINATION AND AFFIRMATIVE ACTION LAWS

- 8.8.1 The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17); the Fair Employment & Housing Act, Government Code Section 12920-12922; and Affirmative Action in County Agreements, Chapter 4.32 of the Los Angeles County Code to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.
- 8.8.2 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.
- 8.8.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- 8.8.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation.
- 8.8.5 The Contractor certifies and agrees that all United States based affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.
- 8.8.6 If the County finds that any provisions of this Sub-paragraph 8.8 have been violated, such violation shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Agreement.
- 8.8.7 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Agreement, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Agreement.

8.8.8 The Contractor shall certify to, and comply with, the provisions of Exhibit D - Contractor's EEO Certification.

8.9 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.9.1 Jury Service Program:

This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit H and incorporated by reference into and made a part of this Agreement.

8.9.2 Written Employee Jury Service Policy.

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this Sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary

services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall also be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the Agreement.

3. If the Contractor is not required to comply with the Jury Service Program when this Agreement commences, the Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Agreement and at its sole discretion, that the Contractor demonstrate, to the County's satisfaction that the Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that the Contractor continues to qualify for an exception to the Program.
4. Contractor's violation of this Sub-paragraph of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.10 CONFLICT OF INTEREST

- 8.10.1 No County employee whose position with the County enables such employee to influence the award or administration of this Agreement or any competing contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of the Contractor who

may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.10.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Sub-paragraph shall be a material breach of this Agreement.

8.11 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should the Contractor require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Agreement.

8.12 CONSIDERATION OF HIRING GAIN/GROW PARTICIPANTS FOR EMPLOYMENT

8.12.1 Should the Contractor require additional or replacement personnel after the effective date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.

8.12.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.13 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.13.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

8.13.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

8.13.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.13.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.

5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.13.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of County Contractors.

8.14 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

8.15 CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM

8.15.1 Contractor hereby warrants that neither it nor any of its Subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors is restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, (which includes Medicare, Medi-Cal and Healthy Families) and that Contractor will notify Director within ten (10) calendar days in writing of any exclusionary or suspension action taken by any agency of the Federal or State governments against any of the aforementioned parties' barring these parties from participating in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

8.15.2 Contractor shall indemnify and hold County harmless against any and all direct monetary losses or damage County may suffer, arising from any exclusion or suspension of Contractor or its Subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors from such participation in a Federally funded health care program, and which serves to create a breach of contract on the part of Contractor.

8.15.3 Failure by Contractor to meet the requirements of this Sub-paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

8.16 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.16.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.16.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Agreement to comply with all applicable provisions of law, the Contractor warrants that

it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.17 CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

8.17.1 Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

8.17.2 Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Agreement will maintain compliance, with Los Angeles Code Chapter 2.206.

8.18 COUNTY'S QUALITY ASSURANCE PLAN

The County or its agent will evaluate the Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Agreement terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Agreement or impose other penalties as specified in this Agreement.

8.19 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS

- 8.19.1 The Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by the Contractor or employees or agents of the Contractor. Such repairs shall be made immediately after the Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.
- 8.19.2 If the Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by the Contractor by cash payment upon demand.
- 8.19.3 County reserves the unilateral right to make any repairs which Director determines, in his/her sole discretion, to be a public safety issue requiring immediate repair. County will bill Contractor for the cost of said repair or deduct said cost from any outstanding amounts owed by County to Contractor.

8.20 EMPLOYMENT ELIGIBILITY VERIFICATION

- 8.20.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.
- 8.20.2 The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement.

8.21 FACSIMILE REPRESENTATIONS

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Sub-paragraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Agreement, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

8.22 FAIR LABOR STANDARDS

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

8.23 FEDERAL ACCESS TO RECORDS

If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act (42 U.S.C. Section 1395x(v)(1)(I)) is applicable, Contractor agrees that for a period of four (4) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Controller General of the United States, or to any of their authorize representatives, the Agreements, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization (as that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.

8.24 CONTRACTOR PERFORMANCE DURING CIVIL UNREST OR DISASTER

The Contractor recognizes that health care Facilities maintained by County provide care essential to the residents of the communities they serve, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster, or similar event. Notwithstanding any other provision of this Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible. Failure to comply with this requirement shall be considered a material breach by Contractor for which County may immediately terminate this Agreement.

8.25 GOVERNING LAW, JURISDICTION, AND VENUE

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.26 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

8.26.1 Contractor expressly acknowledges and agrees that the provision of services under this Agreement does not require or permit access by Contractor or any of its officers, employees, or agents, to any patient medical records/patient information. Accordingly, Contractor shall instruct its officers, employees, and agents, that they are not to pursue, or gain access to, patient medical records for any reason whatsoever.

8.26.2 Notwithstanding the forgoing, the parties acknowledge that in the course of the provision of services hereunder, Contractor or its officers, employees, and agents, may have inadvertent access to patient medical records/patient information. Contractor understands and agrees that neither it nor its officers, employees, or agents, are to take advantage of such access for any purpose whatsoever.

8.26.3 Additionally, in the event of such inadvertent access, Contractor and its officers, employees, and agents, shall maintain the confidentiality of any information obtained and shall notify Director that such access has been gained

immediately, or upon the first reasonable opportunity to do so. In the event of an intentional access, Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all liability, including but not limited to, actions, claims, costs, demands, expenses, and fees (including attorney and expert witness fees) arising from or connected with Contractor's or its officers', employees', or agents', unlawful disclosure of patient medical records/patient information. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

8.27 INDEPENDENT CONTRACTOR STATUS

- 8.27.1 This Agreement is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.
- 8.27.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.
- 8.27.3 The Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Agreement.
- 8.27.4 The Contractor shall adhere to the provisions stated in Sub-paragraph 7.6 - Confidentiality.

8.28 SERVICE INDEMNIFICATION

Contractor shall defend, indemnify and hold harmless County, to include the County, its Special Districts, elected and appointed officers, employees, agents, and volunteers ("County Indemnitees") from any suit or proceeding brought against County based on any claim for bodily injury or property damage arising from the services provided hereunder, provided Contractor is (i) notified promptly in writing of any such claim, (see Paragraph 8.39 Notices), following such date as the County's Facility Project Manager and/or Facility Project Director becomes aware of such claim; and (ii) in receipt of information and reasonable assistance and cooperation from County in preparation of the defense of any such suit or proceeding. Provided County complies with the above requirements, Contractor shall pay all damages, costs, and expenses, including reasonable attorneys' fees of third parties (excluding County and affiliates of County), that County shall be legally required to pay on the basis of bodily injury or property damage and shall reimburse County for any authorized expense it incurs at Contractor' written request.

Notwithstanding the above, Contractor shall not be liable to County to the extent the bodily injury or property damage claim is based on or arises out of: (i) the use of equipment or materials not delivered by or on behalf of Contractor ; (ii) the sole negligence, omissions, or willful misconduct of County; (iii) representations and warranties regarding the services or Equipment made by County; (iv) the improper storage, usage, service, or maintenance of the Equipment by County; (v) any Equipment which has been disassembled, repaired, tampered with, altered, changed or modified by persons other than Contractor's own authorized service personnel, unless directed to do so by Contractor's authorized personnel; (vi) failure of County or the end-user to timely use updated components provided by Contractor for avoiding such injury or damage; or (vii) use of the Equipment in a manner for it was neither designed nor contemplated. IN NO EVENT SHALL CONTRACTOR BE RESPONSIBLE, WHETHER UNDER THIS SECTION, IN CONTRACT, TORT, OR OTHERWISE, FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL LOSSES OR DAMAGES.

8.29 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall

provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sub-paragraphs 8.29 and 8.30 of this Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other Contractual obligation imposed upon Contractor pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Agreement.

8.29.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.
- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time in its sole cost.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information

provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles
Department of Health Services
Contracts and Grants Division
313 N. Figueroa Street, 6E
Los Angeles, CA 90012
Attention: Kathy K. Hanks, C.P.M.
Director, Contracts and Grants

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.29.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.29.3 Cancellation of or Changes in Insurance

Contractor shall provide County with written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Agreement, in the sole discretion of the County, upon which the County may suspend or terminate this Agreement.

8.29.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

8.29.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

8.29.6 Contractor's Insurance Shall Be Primary

If a claim is the result of a breach of contract by Contractor or an indemnification claim, Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.29.7 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. The

Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.29.8 Sub-Contractor Insurance Coverage Requirements

Contractor shall include all Sub-Contractors as insureds under Contractor's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

8.29.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.29.10 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

8.29.11 Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

8.29.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.29.13 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.29.14 County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

8.30 INSURANCE COVERAGE

8.30.1 Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.30.2 Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.30.3 Workers Compensation and Employers' Liability

insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.31 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES

Contractor shall obtain and maintain in effect during the term of this Agreement, all valid licenses, permits, registrations, accreditations, and certificates required by law which are applicable to its performance of this Agreement, and shall ensure that all of its officers, employees, and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations, and certificates required by law which are applicable to their performance of services hereunder. All such licenses, permits, registrations, accreditations, and certifications relating to services hereunder shall be made available to County upon request.

8.32 LIQUIDATED DAMAGES

8.32.1 If, in the judgment of the Director, or his/her designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Director, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be forwarded to the Contractor by the Director, or his/her

designee, in a written notice describing the reasons for said action.

8.32.2 If the Director, or his/her designee, determines that there are deficiencies in the performance of this Agreement that the Director, or his/her designee, deems are correctable by the Contractor over a certain time span, the Director, or his/her designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Director, or his/her designee, may terminate the Agreement.

8.33 Intentionally Omitted.

8.34 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Agreement shall not restrict the Department of Health Services from acquiring similar, equal or like goods and/or services from other entities or sources.

8.35 NOTICE OF DELAYS

Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within two (2) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.36 NOTICE OF DISPUTES

The Contractor shall bring to the attention of the Facility's Project Manager and/or Facility's Project Director any dispute between the County and the Contractor regarding the performance of services as stated in this Agreement. If the Facility's Project Manager or Facility's Project Director is not able to resolve the dispute, the Director or his/her designee shall resolve it.

8.37 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the

requirements set forth in Internal Revenue Service Notice No. 1015.

8.38 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit I of this Agreement and is also available on the Internet at www.babysafela.org for printing purposes.

8.39 NOTICES

All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits E - County's Administration and F - Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party.

8.40 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

Notwithstanding the above, the Contractor and the County agree that, during the term of this Agreement and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.41 PUBLIC RECORDS ACT

8.41.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Sub-paragraph 8.43 - Record Retention and Inspection/Audit Settlement of this Agreement; as well as any documents that may have been submitted in response to a solicitation process for this Agreement, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade

secret”, “confidential”, or “proprietary”. The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.41.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked “trade secret”, “confidential”, or “proprietary”, the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney’s fees, in action or liability arising under the Public Records Act.

8.42 PUBLICITY

8.42.1 The Contractor shall not disclose any details in connection with this Agreement to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor’s need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Agreement within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; and
- During the term of this Agreement, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the Director or his/her designee. The County shall not unreasonably withhold written consent.

8.42.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Agreement with the County of Los Angeles, provided that the requirements of this Sub-paragraph 8.42 shall apply.

8.43 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

8.43.1 The County reserves the right to conduct a reasonable inspection of Contractor's financial records of its activities and operations relating to this Agreement. The Contractor

shall also maintain accurate and complete employment and other records relating to its performance of this Agreement.

8.43.2 The Contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating directly to this Agreement. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Agreement and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. If any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.43.3 Failure on the part of the Contractor to comply with any of the provisions of this Sub-paragraph 8.43 shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement.

8.43.4 Audit/Compliance Review

In the event County representatives conduct a review as detailed in 8.43.1, Contractor, Contractor shall fully cooperate with County's representatives. Contractor shall allow County representatives access to all financial reports, medical records, and reports pertaining to this Agreement and shall allow photocopies to be made of these documents utilizing Contractor's photocopier, for which County shall reimburse Contractor its customary charge for record copying services, if requested. Director shall provide Contractor with at least ten (10) working days prior written notice of any audit/compliance review.

8.44 RECYCLED BOND PAPER

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Agreement.

8.45 RESTRICTIONS ON LOBBYING

If any Federal funds are to be used to pay for Contractor's services under this Agreement, Contractor shall fully comply with all certification and disclosure requirements prescribed by Section 319 of Public Law 101-121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully complies with all such certification and disclosure requirements.

8.46 SUBCONTRACTING

8.46.1 The requirements of this Agreement may not be subcontracted by the Contractor **without the advance written approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Agreement.

8.46.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:

- A description of the work to be performed by the subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

8.46.3 The Contractor shall indemnify and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were the Contractor employees.

8.46.4 The Contractor shall remain fully responsible for all performances required of it under this Agreement, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.

8.46.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing

services under this Agreement. The Contractor is responsible to notify its subcontractors of this County right.

- 8.46.6 The Director or his/her designee is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, Contractor shall forward a fully executed subcontract to the County for their files.
- 8.46.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 8.46.8 The Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to:

County of Los Angeles
Department of Health Services
Contracts and Grants Division
313 N. Figueroa Street – 6E
Los Angeles, CA 90012
Attention: Kathy K. Hanks, C.P.M.
Director, Contracts and Grants

before any subcontractor employee may perform any work hereunder.

8.47 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.16 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute default under this Agreement. Without limiting the rights and remedies available to the County under any other provision of this Agreement, failure of the Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the County may terminate this Agreement pursuant to Sub-paragraph 8.50 - Termination for Default and pursue

debarment of the Contractor, pursuant to County Code Chapter 2.202.

8.48 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.17 - Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

8.49 TERMINATION FOR CONVENIENCE

8.49.1 This Agreement may be terminated by the County, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

8.49.2 In the event the County desires to terminate, after receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:

- Stop work under this Agreement on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.49.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Agreement shall be maintained by the Contractor in accordance with Sub-paragraph 8.43, Record Retention and Inspection/Audit Settlement.

8.49.4 The County shall pay for all fees up to and including the date of termination.

8.50 TERMINATION FOR DEFAULT

8.50.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Agreement, if, in the judgment of the Director or his/her designee.

- Contractor has materially breached this Agreement; or
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Agreement; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Agreement, or of any obligations of this Agreement and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.50.2 In the event that the County terminates this Agreement in whole or in part as provided in Sub-paragraph 8.50.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services, up to 180 days after such termination. The Contractor shall continue the performance of this Agreement to the extent not terminated under the provisions of this Sub-paragraph.

8.50.3 Except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Sub-paragraph 8.50.2 if its failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or Contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every

case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this Sub-paragraph, the term "subcontractor(s)" means subcontractor(s) at any tier.

8.50.4 If, after the County has given notice of termination under the provisions of this Sub-paragraph 8.50, it is determined by the County that the Contractor was not in default under the provisions of this Sub-paragraph 8.50, or that the default was excusable under the provisions of Sub-paragraph 8.50.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Sub-paragraph 8.49 - Termination for Convenience.

8.50.5 The rights and remedies of the County provided in this Sub-paragraph 8.50 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.51 TERMINATION FOR IMPROPER CONSIDERATION

8.51.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment, or extension of this Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Agreement. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.51.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper

consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Fraud Hotline at (800) 544-6861 or www.lacountyfraud.org.

8.51.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.52 TERMINATION FOR INSOLVENCY

8.52.1 Either party may terminate this Agreement forthwith in the event of the occurrence of any of the following:

- Insolvency. A party shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.52.2 The rights and remedies provided in this Sub-paragraph 8.52 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.53 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which the County may in its sole discretion, immediately terminate or suspend

this Agreement.

8.54 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Agreement, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Agreement during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Agreement in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.55 TIME OFF FOR VOTING

The Contractor shall notify its California-based employees, and shall require each subcontractor to notify and provide to its California-based employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

8.56 UNLAWFUL SOLICITATION

Contractor shall inform all of its officers and employees performing services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of Business and Professions Code of the State of California (i.e. State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of said provisions by its officers and employees. Contractor agrees that if a patient requests assistance in obtaining the services of any attorney, it will refer the patient to the attorney referral service of all those bar associations within Los Angeles County that have such a service.

8.57 VALIDITY

If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

8.58 WAIVER

No waiver by either party of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of a party to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-paragraph 8.58 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.59 WARRANTY AGAINST CONTINGENT FEES

8.59.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.59.2 For breach of this warranty, the County shall have the right to terminate this Agreement and, at its sole discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT

Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary of this Agreement.

9.2 INTENT OF PARTIES REGARDING BUSINESS ASSOCIATES UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

9.2.1 The parties agree that the endoscopes which are to be serviced and maintained by Olympus under the terms of this Agreement are those specific models which are currently in use by Customer on the date of execution of the Agreement and listed on Exhibit B, Pricing Schedule. The parties understand and agree that these models do not have the capability, other than by use of, and by transmission to, an external storage device, to store or maintain

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be executed by the County's Director of Health Services and Contractor has caused this Agreement to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

OLYMPUS AMERICA INC.

By _____
Signature

Printed Name

Title

APPROVED AS TO FORM:
Richard D. Weiss
County Counsel

By _____
Jason C. Carnevale
Deputy County Counsel

STATEMENT OF WORK

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ATTACHMENTS

Attachment 1 Department of Health Services Facility List

Attachment 2 Contract Discrepancy Report

STATEMENT OF WORK

1.0 SCOPE OF WORK

Contractor shall provide Maintenance and Support Services as described in this Exhibit A (Statement of Work), for County Facilities set forth in Attachment 1 (County Facilities), attached hereto and incorporated herein by reference. Contractor's services shall be provided for all Hardware and Software listed in Agreement, Exhibit B (Pricing and Equipment Schedule) at the applicable rates set forth therein. Contractor's services shall include, but not be limited to, the following:

- A. Provide Maintenance and Support Services during Support Hours, consisting of:
 - a. Routine Preventative Maintenance Services
 - b. As Needed Repair and Support Services
- B. Provide 24x7x365/366 onsite and remote support including access to Contractor's technical support 24x7x365/366;
- C. Maintain service reports in order to meet regulatory guidelines;
- D. Develop and maintain a current, comprehensive Hardware inventory database for each County Facility;
- E. Provide Additional Services, if authorized by County and pursuant to requirements in Section 4.0 (Additional Services) below;
- F. Attend required meetings as agreed to by both County and Contractor.

2.0 DEFINITIONS

Unless otherwise expressly provided or the context otherwise requires, the following definitions for the terms identified below shall be understood to be the meaning of such terms where used in this Exhibit A – Statement of Work.

- 2.1 "After Hours" – shall mean hours other than Regular Business Hours (e.g. Monday through Friday 5:01 p.m. through 7:59 a.m., weekends and Contractor Holidays).
- 2.2 "Equipment" – shall mean an instrument, apparatus, machine, or other similar or related article, including all hardware, components, parts, accessories, replacements, and/or upgrades, which is intended for the diagnosis, care, treatment, or monitoring of a Facility patient.

- 2.3 “Contractor Holidays” – shall mean Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas and New Year’s Day. Holidays that fall on Saturday or Sunday may be observed on Friday and Monday respectively.
- 2.4 “Preventive Maintenance” – shall have the meaning specified in Section 3.1 (Preventive Maintenance).
- 2.5 “Regular Business Hours” – shall mean Monday through Friday, between 8:00 a.m. and 5:00 p.m., excluding Contractor Holidays.
- 2.6 “Support Hours” – shall mean Contractor’s provision of Maintenance and Support Services under this Statement of Work for County Facilities set forth in Attachment 1 (County Facilities), based on a 24x7x365/366 basis. Contractor shall provide such Services onsite or remotely at each County Facility as required by County or for performance of Maintenance and Support Services under the Agreement.

3.0 REQUIRED SERVICES

Contractor shall provide all Services described under this Section 3.0 (Required Services) during Support Hours, at the all-inclusive rates set forth in Agreement, Exhibit B, Pricing and Equipment Schedule, which shall be inclusive of any and all travel expenses, labor and parts. All services described in this Section 3.0 shall be provided at no additional cost to the County.

3.1 Preventive Maintenance

3.1.1 Contractor shall provide County Facilities, at a minimum, annual routine preventive maintenance services (“Preventive Maintenance”), or in accordance with the manufacturer’s preventative maintenance instructions, for all Hardware related Equipment, including Network and Interfaces covered under this Agreement, including all labor and parts, at no additional cost to County. As part of such annual Preventive Maintenance Services, Contractor shall comply with requirements established by County Facilities for specific Equipment to be maintained to all minimum regulatory compliance standards.

3.1.2 Preventive Maintenance shall include, but are not limited to, diagnosis; inspection; cleaning; lubrication; safety inspection; functional tests; adjustments or calibrations necessary to facilitate proper functioning of the Equipment and, as applicable, compliance with regulatory agencies’ requirements and guidelines. Preventive Maintenance shall also include replacement of worn, defective or

broken parts with new and/or Contractor-certified parts specifically designed for the Equipment and replacement of unserviceable parts with new parts equivalent to the original parts in performance or original equipment manufacturer (“OEM”) parts.

- 3.1.3 Contractor shall perform routine Preventive Maintenance during Regular Business Hours. Contractor shall provide routine Preventive Maintenance Services at times mutually agreed upon by both County and Contractor.
- 3.1.4 Contractor shall perform the regularly scheduled number of Preventive Maintenance described above to meet the requirements set by manufacturer specifications and all appropriate licensing and accrediting agencies (e.g. The Joint Commission, Occupational Safety and Health Administration ("OSHA")).
- 3.1.5 Compliance with Regulatory Agencies - Contractor shall ensure that Equipment, comply with all applicable current and future local, State and Federal requirements.

3.2 As Needed Repair and Support Services

- 3.2.1 Contractor shall provide as needed support and repair services (“As Needed Support”) for Hardware related Equipment. As Needed Support Services consist of the support and repair(s) needed for restoration of Hardware related Equipment, so that Equipment performs in all material respects in accordance with its manufacturer specifications, on an as-needed basis, as may be required by the County Facility.
- 3.2.2 Contractor shall provide As Needed Support Services when the County Facility reasonably believes the Equipment is not performing in accordance with manufacturer specifications and performance standards.
- 3.2.3 Further, all replacement parts shall be new or equivalent to new parts.
- 3.2.4 Contractor shall provide unrestricted access to technical support twenty-four hours a day, seven days per week. Contact 1-800-848-9024 (Monday through Friday between 7am and 8pm EST) or 1-877-624-7267 (Weekends and Monday through Friday between 8pm and 7am EST).
- 3.2.5 Contractor shall provide a telephone response to request for repairs within four (4) hours. Request for repairs or non-preventative

maintenance on all other Equipment will be sent to Olympus for repair service and returned the next day freight, at no additional cost to County.

3.2.6 Upon request, and subject to availability, Contractor agrees to provide, at no additional cost to County, a temporary loaner unit, along with ancillary accessories (if needed) (collectively, the "Loaner Unit"), to be utilized while the corresponding Equipment is being repaired.

3.3 Breakage and/or Loss

Contractor shall replace and/or repair (at the time of servicing) any Equipment and/or parts thereof which suffer breakage, damage or loss at the time of servicing or repair, which is caused by the negligence or willful misconduct of Contractor, and to the extent thereof, at no additional cost to the County.

3.4 Rework

Contractor shall rework improperly repaired Hardware related Equipment, correct any damage resulting therefrom, and supply all necessary parts and materials therefore at no additional cost to County. Service personnel shall also repair any defective parts purchased and installed by such service personnel and shall repair any damage to the Equipment resulting from, and to the extent of, Contractor's negligence, willful misconduct or conduct inconsistent with the requirements of this Agreement, at no additional cost to County.

3.5 Service Reports

Contractor shall develop and maintain written service reports for services provided on all Equipment identified under this Agreement on an ongoing basis. Such service report(s) shall include:

3.5.1 A record of maintenance in accordance with the manufacturer specification and provide such other information as required by the Facility in order to meet all licensing, accrediting and regulatory agency requirements.

3.5.2 Clearly identify the equipment serviced by model number, serial number, Los Angeles County Capital Asset Leasing or Los Angeles County number (if available).

3.5.3 Include an itemization and description of services performed, including electrical checks and calibration reading and preventive

maintenance.

3.5.4 If the service is performed on Facilities premises, identify the name of the service technician who performed the service, service date, and list any parts installed during repair site visit.

3.5.5 Electronic copies of such reports shall be made available to Facility upon request. Such service reports are the property of County and shall remain on-site at each Facility. One of the copies may be sent electronically.

3.6 Educational Training

Contractor shall provide county employees with unlimited access to Olympus University (www.olympusuniversity.com) live educational courses at no additional cost to County.

3.7 Exclusions

Contractor is not financially responsible to provide the repair services above for the following:

3.7.1 Defects or damage to Equipment resulting from gross misuse, abuse, negligence, acts of God and other disasters, non-performance or scheduled operator and maintenance items or non-approved reprocessing methods.

3.7.2 Testing or certification of leakage current.

3.7.3 Equipment which does not contain a validly placed and recorded Olympus serial number.

3.7.4 Repair, maintenance, modification, relocation, or reinstallation by any other than Contractor-authorized personnel, unless repair by others is made with the written consent of Contractor.

3.7.5 Repair or replacement of supplies and consumables including, without limitation, lamps, cables, thermal head printers, filters, and connectors.

3.7.6 Contractor shall provide written notification to Facility Project Manager if equipment is deemed defective, caused by exceptions, and will not proceed with repair until a mutually agreeable course of action is determined.

4.0 ADDITIONAL SERVICES

Services, other than the services described in Section 3.0, Required Services above, are Additional Services, including Professional Services. These Additional Services may be required during Regular Business Hours or After Hours. In the event that Additional Services are authorized by the County, these services shall be billed at the rates identified in Agreement, Exhibit B, Pricing and Equipment Schedule. However, prior to the authorization of any Additional Services, Contractor shall prepare and submit a written description of the work with an estimate of labor and materials. To effectuate Additional Services beyond the reserve amount allocated for each facility according to Exhibit B - Pricing Schedule, all changes must be made in accordance with the Agreement, Sub-paragraph 8.1 Amendments to the Agreement, which is signed by both parties, and executed prior to any work beginning.

5.0 RESPONSIBILITIES

5.1 County Personnel

The County will administer the Agreement according to the Agreement, Paragraph 6.0, County Administration. Specific duties will include:

- 5.1.1 Monitoring the Contractor's performance in the daily operation of this Agreement.
- 5.1.2 Providing direction to the Contractor in areas relating to policy, information and procedural requirements.
- 5.1.3 Preparing Amendments in accordance with the Agreement, Paragraph 8.0, Standard Terms and Conditions, Sub-paragraph 8.1, Amendments.
- 5.1.4 County agrees to remove all Protected Health Information (PHI), as defined by HIPAA (see Agreement, Paragraphs 8.26 and 9.2) from the equipment prior to sending to Olympus for repair or otherwise. In the event customer requires assistance in removing PHI from equipment, County may call Olympus' Technical Assistance Center at 1-800-848-9024 (Option 1).

5.2 Contractor Personnel

- 5.2.1 Contractor shall designate a Contractor Project Manager to lead and coordinate Contractor's provision of services described hereunder and act as a central point of contact with County personnel. Contractor Project Manager shall be available during business of Monday through Friday, 8:00 a.m. to 5:00 p.m.,

excluding County holidays.

- 5.2.2 Contractor Project Manager shall be responsible for determining daily work duties, staffing levels, scheduling, and staffing hours needed to properly provide services hereunder.
- 5.2.3 Contractor Project Manager shall institute and maintain appropriate supervision of all persons providing services pursuant to this Agreement.
- 5.2.5 Contractor service personnel shall be appropriately licensed, certified, credentialed, and trained in accordance with Contractor requirement to perform the services hereunder and shall have, at a minimum, knowledge and expertise in the following areas including but not limited to:
 - 5.2.5.1 Diagnosis and inspection of Equipment to determine maintenance and repair needs;
 - 5.2.5.2 Routine cleaning and lubrication of Equipment as necessary; and
 - 5.2.5.3 Electrical and safety inspection of Equipment as necessary.
- 5.2.6 Contractor shall assume the sole responsibility for the timely completion of all activities assigned or to be performed hereunder.

5.3 Risk Management Program

- 5.3.1 Contractor shall assist with Facilities Equipment Risk Management Program. Such Program shall require the Facilities written documentation of all medical incidents that involve equipment covered under this Agreement, whereby such equipment has or may have caused or contributed to a patient's injury, serious illness, or death. Such documentation shall also describe the incident, the equipment involved in the medical incident, and any subsequent examination of such equipment.
- 5.3.2 The Facility Project Director, or Facility Project Manager, in consultation upon request with Contractor and Facility's Risk Manager, shall provide direct oversight of all activities to decommission, sequester, and examine any equipment which has been involved in a medical incident. Neither party shall use, clean, discard, alter, or repair any equipment involved in such incident prior to the said equipment's examination.

5.3.3 Any equipment, equipment component(s) or equipment part(s) involved in a medical incident shall be stored by Facility and retained onsite until the equipment has been released to Contractor for repairs in accordance with this agreement.

5.4 Reporting Responsibility

When a condition exists related to Contractors service wherein there is imminent danger of injury to the public or damage to property, Contractor shall immediately contact the Facility Project Manager or his/her designee.

5.6 Infection Control: In the event Contractor has employees/personnel on premises ("Personnel"), the following shall be applicable:

5.6.1 Personnel shall strictly adhere to Infection Control and Employee Health Guidelines to prevent the transmission of infections and to assure prompt and appropriate treatment for employee exposure. If any Personnel is diagnosed with having an infectious disease, and Contractor is made aware of such a diagnosis and such person has had contact with a County patient during the usual incubation period for such infectious disease, then Contractor shall report such an occurrence to Facility's Employee Health and Infection Control Department within twenty-four (24) hours of becoming aware of the diagnosis.

5.6.2 If a County patient is diagnosed with having an infectious disease, and such County patient has had contact with Personnel without the benefit of Personal Protective Equipment (PPE) during the usual incubation period for such infectious disease, Facility will report such occurrences to Contractor. Confirmation that an exposure occurred is made by Employee Health and Infection Control.

5.6.3 For purposes of this Agreement, the infectious diseases reportable hereunder are those listed in the Public Health List of Reportable Diseases (California Code of Regulations, Title 17).

6.0 ADDITION/DELETION OF FACILITIES AND EQUIPMENT

The Director of Department of Health Services or his designee (Director) may add and/or delete DHS Facility(s) and related equipment as necessary to provide services or to assure that Facility(s) operations are maintained. All changes must be made in accordance with the Agreement, Sub-paragraph 8.1 Amendments.

7.0 QUALITY CONTROL

The Contractor shall establish and utilize a comprehensive Quality Control Plan to assure the County has consistently high level of service throughout the term of the Agreement.

7.1 Contract Discrepancy Report

7.1.1 Verbal notification of a Contract discrepancy will be made to the Contractor Project Manager as soon as possible whenever an Agreement discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor.

7.1.2 The Facility Project Monitor will determine whether a formal Contract Discrepancy Report (Attachment 3) shall be issued. Upon receipt of this document, the Contractor shall respond in writing to the Facility Project Monitor within twenty (20) workdays with a plan for correction of all mutually agreed upon deficiencies identified in the Contract Discrepancy Report.

7.2 County Observations

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Agreement at any time on its own site during normal business hours.

DEPARTMENT OF HEALTH SERVICES FACILITY LIST

Facility	Facility Billing Address
LAC+USC Medical Center (LAC+USC MC)	LAC+USC Medical Center Attn: Invoice Processing P.O. Box 86601, Los Angeles, CA 90031
Hudson	
Harbor-UCLA Medical Center (H-UCLA MC)	Harbor-UCLA Medical Center Attn: General Accounting Box 479, 1000 West Carson St., Building 3.5, Torrance, CA 90509
Martin Luther King Jr. Outpatient Center (MLK OC)	Harbor-UCLA Medical Center Attn: General Accounting Box 479, 1000 West Carson St., Building 3.5, Torrance, CA 90509
Olive View-UCLA Medical Center (OV-UCLA MC)	Olive View-UCLA Medical Center Attn: Materials Management 14445 Olive View Drive, Sylmar, CA 91342
Rancho Los Amigos National Rehabilitation Center (RLANRC)	Rancho Los Amigos National Rehabilitation Center Attn: Chief Financial Officer, Finance Department SSA Building - Room 2208, 7601 East Imperial Highway, Downey, CA 90242
High Desert Regional Health Center (HD RHC)	

CONTRACTOR DISCREPANCY REPORT

TO:

FROM:

DATES: Prepared: _____

Returned by Contractor: _____

Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of County Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of Contractor Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

Olympus America, Inc.
Effective August 1, 2015 through July 31, 2020

Facility	8/1/2015- 7/31/2016	8/1/2016- 7/31/2017	8/1/2017- 7/31/2018	8/1/2018- 7/31/2019	8/1/2019- 7/31/2020	Total
Harbor	\$ 421,800	\$ 421,800	\$ 421,800	\$ 421,800	\$ 421,800	\$ 2,109,000
MLK	\$ 115,693	\$ 115,693	\$ 115,693	\$ 115,693	\$ 115,693	\$ 578,465
Olive View	\$ 210,493	\$ 210,493	\$ 210,493	\$ 210,493	\$ 210,493	\$ 1,052,465
Rancho	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000
Total	\$ 767,986	\$ 3,839,930				

Note: Total term is 60 months, with two optional terms